

**LAWTELL WATERWORKS
DISTRICT NO. ONE
OF ST. LANDRY PARISH**
Lawtell, Louisiana

Financial Report

Year Ended June 30, 2013

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date DEC 04 2013

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The Board of Directors
Lawtell Waterworks District
No One of St Landry Parish
Lawtell, Louisiana

During our review of the basic financial statements of the Lawtell Waterworks District No One of St. Landry Parish (District) for the year ended June 30, 2013, we noted the following area in which the efficiency and effectiveness of the operations of the District could be improved. This finding was also mentioned in our management letter dated October 15, 2012 relative to the review of the financial statements for the year ended June 30, 2012, but is mentioned again due to the overlapping of the fiscal years.

One of the District's employees admitted to selling 13 meters purchased by the District. The cost of the meters sold was \$678. Although the employee made restitution and resigned in November 2012, there appears to be a lack of control over the District's assets. Meters and other equipment and supplies should be periodically monitored to ensure that the proper amounts are on hand, and any discrepancies should be timely investigated.

We would like to express our appreciation to you and your staff, particularly your office staff, for the courtesies and assistance rendered to us in the performance of our review. Should you have any questions or need assistance, please feel free to contact us.

Kolder, Champagne, Slaven & Company, LLC
Certified Public Accountants

Lafayette, Louisiana
September 4, 2013

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INDEPENDENT ACCOUNTANTS' REVIEW REPORT

The Board of Directors
Lawtell Waterworks District
No. One of St. Landry Parish
Lawtell, Louisiana

We have reviewed the accompanying basic financial statements of the Lawtell Waterworks District No. One of St. Landry Parish (District), a component unit of the St. Landry Parish Council, as of and for the years ended June 30, 2013 and 2012, as listed in the table of contents. A review includes primarily applying analytical procedures to management's financial data and making inquiries of the District's management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion.

The management of the District is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America and for designing, implementing, and maintaining internal control relevant to the preparation and fair presentation of the financial statements.

Our responsibility is to conduct the review in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. Those standards require us to perform procedures to obtain limited assurance that there are no material modifications that should be made to the financial statements. We believe that the results of our procedures provide a reasonable basis for our report.

Based on our review, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in conformity with accounting principles generally accepted in the United States of America.

Management has omitted the management's discussion and analysis information that is required to be presented for purposes of additional analysis. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context.

Kolder, Champagne, Slaven & Company, LLC
Certified Public Accountants

Lafayette, Louisiana
September 4, 2013

Member of
AMERICAN INSTITUTE OF
CERTIFIED PUBLIC ACCOUNTANTS

Member of
SOCIETY OF LOUISIANA
CERTIFIED PUBLIC ACCOUNTANTS

BASIC FINANCIAL STATEMENTS

**LAWTELL WATERWORKS DISTRICT NO. ONE
OF ST LANDRY PARISH
Lawtell, Louisiana**

**Comparative Statements of Net Assets
June 30, 2013 and 2012**

	<u>2013</u>	<u>2012</u>
ASSETS		
Current assets		
Cash and interest-bearing deposits	\$ 254,353	\$ 192,205
Certificate of deposit	359,000	353,937
Accounts receivable (net)	64,406	54,348
Prepaid expenses	<u>10,527</u>	<u>9,780</u>
Total current assets	688,286	610,270
Restricted assets.		
Cash and interest-bearing deposits	30,080	28,780
Net capital assets	<u>564,682</u>	<u>557,445</u>
Total assets	<u>\$1,283,048</u>	<u>\$1,196,495</u>
LIABILITIES AND NET ASSETS		
Liabilities		
Current liabilities (payable from current assets)		
Accounts payable	\$ 46,536	\$ 4,973
Payroll taxes payable	6,900	4,007
Sales taxes payable	<u>302</u>	<u>304</u>
Total current liabilities	53,738	9,284
Current liabilities (payable from restricted asset).		
Meter deposits	<u>30,080</u>	<u>28,780</u>
Total liabilities	<u>83,818</u>	<u>38,064</u>
Net assets		
Invested in capital assets	564,682	557,445
Unrestricted	<u>634,548</u>	<u>600,986</u>
Total net assets	<u>1,199,230</u>	<u>1,158,431</u>
Total liabilities and net assets	<u>\$1,283,048</u>	<u>\$1,196,495</u>

See accompanying notes and accountants' report

**LAWTELL WATERWORKS DISTRICT NO ONE
OF ST LANDRY PARISH
Lawtell, Louisiana**

**Comparative Statements of Revenues, Expenses, and Changes in Net Assets
Years Ended June 30, 2013 and 2012**

	<u>2013</u>	<u>2012</u>
Operating revenues		
Water sales	\$ 399,864	\$ 377,559
Connection charges	9,185	7,502
Other income	<u>17,733</u>	<u>16,872</u>
Total operating revenues	<u>426,782</u>	<u>401,933</u>
Operating expenses		
Advertising and promotion	147	231
Auto and truck	15,818	9,533
Bank charges	385	320
Burglar alarm	192	192
Chemicals	25,637	24,976
Conventions and seminars	2,407	3,705
Depreciation	35,173	36,398
Dues and subscriptions	250	250
Insurance	31,027	29,051
Professional fees	11,080	8,840
Mileage	897	238
Miscellaneous expense	1,121	500
Office expense	8,741	10,967
Rental equipment	-	226
Repairs and maintenance	55,655	51,932
Safe water drinking program	3,275	3,275
Salaries	160,003	162,939
Supplies	920	1,062
Taxes - payroll	12,286	12,867
Telephone	7,570	6,317
Uniforms	2,585	2,678
Utilities	15,404	12,866
Utility line clearance	<u>515</u>	<u>506</u>
Total operating expenses	<u>391,088</u>	<u>379,869</u>
Operating income	35,694	22,064
Nonoperating income (expenses)		
Interest income	<u>5,105</u>	<u>6,527</u>
Net income	40,799	28,591
Net assets, beginning of year	<u>1,158,431</u>	<u>1,129,840</u>
Net assets, end of year	<u><u>\$1,199,230</u></u>	<u><u>\$1,158,431</u></u>

See accompanying notes and accountants' report

**LAWTELL WATERWORKS DISTRICT NO. ONE
OF ST LANDRY PARISH
Lawtell, Louisiana**

**Comparative Statements of Cash Flows
Years Ended June 30, 2013 and 2012**

	<u>2013</u>	<u>2012</u>
Cash flows from operating activities:		
Receipts from customers	\$ 400,291	\$ 387,202
Payments to suppliers	(190,610)	(184,548)
Payments to employees	(160,003)	(162,939)
Other receipts	17,733	16,872
Net cash provided by operating activities	<u>67,411</u>	<u>56,587</u>
 Cash flows from capital and related financing activities.		
Increase in customer meter deposits	1,300	3,901
Purchase of property, plant and equipment	<u>(5,305)</u>	<u>(483)</u>
Net cash flows provided (used) by capital and related financing activities	<u>(4,005)</u>	<u>3,418</u>
 Cash flows from investing activities:		
Maturities of certificate of deposit with maturity in excess of ninety days	353,937	347,459
Purchase of certificate of deposit with maturity in excess of ninety days	(359,000)	(353,937)
Interest earned	<u>5,105</u>	<u>6,527</u>
Net cash flows provided by investing activities	<u>42</u>	<u>49</u>
 Net increase in cash and cash equivalents	63,448	60,054
 Cash and cash equivalents, beginning of period	<u>220,985</u>	<u>160,931</u>
 Cash and cash equivalents, end of period	<u>\$ 284,433</u>	<u>\$ 220,985</u>

(continued)

**LAWTELL WATERWORKS DISTRICT NO ONE
OF ST LANDRY PARISH
Lawtell, Louisiana**

**Comparative Statement of Cash Flows (Continued)
Years Ended June 30, 2013 and 2012**

	<u>2013</u>	<u>2012</u>
Reconciliation of operating income to net cash provided by operating activities.		
Operating income	\$ 35,694	\$ 22,064
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation	35,173	36,398
Changes in assets and liabilities:		
Increase in accounts receivable	(10,058)	(1,760)
Increase in prepaid insurance	(747)	(187)
Increase (decrease) in accounts payable	4,458	(598)
Increase in payroll taxes payable	2,893	517
Increase (decrease) in sales tax payable	(2)	153
Net cash provided by operating activities	<u>67,411</u>	<u>56,587</u>
Reconciliation of cash and cash equivalents per statement of cash flows to the balance sheet:		
Cash and cash equivalents, beginning of period -		
Cash - unrestricted	\$ 192,205	\$ 136,052
Cash - restricted	<u>28,780</u>	<u>24,879</u>
Total cash and cash equivalents	<u>220,985</u>	<u>160,931</u>
Cash and cash equivalents, end of period -		
Cash - unrestricted	254,353	192,205
Cash - restricted	<u>30,080</u>	<u>28,780</u>
Total cash and cash equivalents	<u>284,433</u>	<u>220,985</u>
Net increase	<u>\$ 63,448</u>	<u>\$ 60,054</u>

See accompanying notes and accountants' report

LAWTELL WATERWORKS DISTRICT NO ONE
OF ST LANDRY PARISH
Lawtell, Louisiana

Notes to Basic Financial Statements

(1) Summary of Significant Accounting Policies

The accompanying financial statements of the Lawtell Waterworks District No One of St Landry Parish (District) have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governments. GAAP includes all relevant Governmental Accounting Standards Board (GASB) pronouncements. Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in the proprietary fund financial statements to the extent that those standards do not conflict with or contradict guidance of the GASB. Governments also have the option of following subsequent private-sector guidance for their enterprise funds subject to this same limitation. The government has elected not to follow subsequent private-sector guidance. The accounting and reporting framework and the more significant accounting policies are discussed in subsequent subsections of this note.

The following is a summary of certain significant accounting policies

A Financial Reporting Entity

The Lawtell Waterworks District No One of St Landry Parish, Louisiana was created by the St. Landry Parish Council (Council) on June 8, 1965 and is a component unit of the St. Landry Parish Council. As the governing authority of the parish, for reporting purposes, the St Landry Parish Council is the financial reporting entity for St Landry Parish

The financial reporting entity consists of (a) the primary government (Parish Council), (b) organizations for which the primary government is financially accountable, and (c) other organizations for which nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

Governmental Accounting Standards Board Statement No. 14 established criteria for determining which component units should be considered part of the St. Landry Parish Council for financial reporting purposes. The basic criterion for including a potential component unit within the reporting entity is financial accountability. The GASB has set forth criteria to be considered in determining financial accountability. This criteria includes

1. Appointing a voting majority of an organization's governing body, and
 - a. The ability of the Council to impose its will on that organization and/or
 - b. The potential for the organization to provide specific financial benefits to or impose specific financial burdens on the Council

LAWTELL WATERWORKS DISTRICT NO. ONE
OF ST. LANDRY PARISH
Lawtell, Louisiana

Notes to Basic Financial Statements (Continued)

- 2 Organizations for which the Council does not appoint a voting majority but are fiscally dependent on the Council
- 3 Organizations for which the reporting entity financial statements would be misleading if data of the organization is not included because of the nature or significance of the relationship.

Because the Council appoints a voting majority of the District's governing body and the Council has the ability to impose its will on the District, the District was determined to be a component unit of the St. Landry Parish Council, the financial reporting entity. This report is comprised of a proprietary fund that is administered by the District's Board of Directors and controlled by the St. Landry Parish Council. The accompanying financial statements presents information only on the proprietary fund maintained by the District and does not present information on the Council, the general government services provided by that governmental unit, or the other governmental units that comprise the financial reporting entity.

B. Basis of Presentation

Basic Financial Statements

The statement of net assets, and related statements of revenues, expenses, and changes in fund net assets, and cash flows display information about the reporting government as a whole. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange revenues. Business-type activities are financed in whole or in part by fees charged to external parties for goods or services. Lawtell Waterworks District No. One of St. Landry Parish, Louisiana does not have governmental activities. Its operation is a business-type activity.

C. Fund Accounting

The accounts of the District are organized and operated on the basis of funds. A fund is an independent fiscal and accounting entity with a separate set of self-balancing accounts. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance-related legal and contractual provisions. The minimum number of funds is maintained consistent with legal and managerial requirements.

LAWTELL WATERWORKS DISTRICT NO. ONE
OF ST LANDRY PARISH
Lawtell, Louisiana

Notes to Basic Financial Statements (Continued)

The District maintains only one fund and it is described below

Proprietary Fund –

Enterprise Fund

The Enterprise fund is used to account for operations (a) that are financed and operated in a manner similar to private business enterprises - where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or (b) where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes.

D Measurement Focus/Basis of Accounting

Measurement focus is a term used to describe “which” transactions are recorded within the various financial statements. Basis of accounting refers to “when” transactions are recorded regardless of the measurement focus applied

Measurement Focus

The enterprise fund utilizes an “economic resources” measurement focus. The accounting objectives of this measurement focus are the determination of operating income, changes in net assets (or cost recovery), financial position, and cash flows. All assets and liabilities (whether current or noncurrent) associated with their activities are reported. Proprietary fund equity is classified as net assets.

Basis of Accounting

The proprietary fund statements are presented using the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recognized when the liability is incurred or economic asset used. Revenues, expenses, gains, losses, assets, and liabilities resulting from exchange and exchange-like transactions are recognized in accordance with the requirements of GASB Statement No. 33 “Accounting and Financial Reporting for Nonexchange Transactions.”

LAWTELL WATERWORKS DISTRICT NO ONE
OF ST LANDRY PARISH
Lawtell, Louisiana

Notes to Basic Financial Statements (Continued)

E Assets, Liabilities, and Equity

Cash and interest-bearing deposits

Cash and interest-bearing deposits is comprised of checking accounts (interest-bearing and non interest-bearing) and certificates of deposit, which are stated at cost, which approximates market. For the purposes of reporting cash flows, all highly liquid investments with maturity at purchase date of three months or less are considered to be cash equivalents.

Receivables

Receivables consist mainly of customer's utility service receivables. The District has a policy of recognizing uncollectible amounts of water billings at the time information becomes available, indicating the uncollectibility of the receivable. Once a customer is listed as inactive, the customer no longer receives a bill, is then considered to be uncollectible and an allowance for uncollectible accounts receivable is established. The allowance for uncollectible accounts receivable was \$16,946 and \$17,713 at June 30, 2013 and 2012, respectively. Unbilled utility service receivable resulting from utility services rendered between the date of meter reading and billing and the end of the month are recorded at year-end. At June 30, 2013 and 2012, the unbilled receivables totaled \$10,239 and \$10,174, respectively.

Inventory

Items that are on hand at June 30, 2013 and 2012 are not recorded as inventory due to immateriality. All items are expensed in the year purchased.

Capital Assets

Capital assets include property, plant and equipment. They are reported at historical cost or estimated cost if historical cost is not available. Donated assets are recorded as capital assets at their estimated fair market value at the date of donation. The District maintains a threshold level of \$250 or more for capitalizing capital assets.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized. Depreciation of all exhaustible fixed assets is charged as an expense against its operations. Depreciation has been provided over the estimated useful lives using the straight-line method and the modified accelerated cost recovery method. The estimated useful lives are as follows:

**LAWTELL WATERWORKS DISTRICT NO. ONE
OF ST. LANDRY PARISH
Lawtell, Louisiana**

Notes to Basic Financial Statements (Continued)

Furniture, fixtures & equipment	4-7 years
Building	15-39 years
Water system and improvements	10-50 years

Restricted assets

Restricted assets include cash and interest-bearing deposits that are legally restricted as to their use. The restricted assets are related to the utility meter deposits

Compensated Absences

Full-time employees of the District earn three weeks of vacation per year and take sick leave as it is needed. There is no formal policy on carrying over leave time not used.

Equity Classifications

Equity is classified as net assets and displayed in three components.

- a. Invested in capital assets, net of related debt – Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- b. Restricted net assets – Consists of net assets with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments, or (2) law through constitutional provisions or enabling legislation
- c. Unrestricted net assets – All other net assets that do not meet the definition of “restricted” or “invested in capital assets, net of related debt ”

The District uses unrestricted assets only when restricted assets are fully depleted

LAWTELL WATERWORKS DISTRICT NO ONE
OF ST. LANDRY PARISH
Lawtell, Louisiana

Notes to Basic Financial Statements (Continued)

F. Revenues and Expenses

Operating Revenues and Expenses

Operating revenues and expenses for proprietary funds are those that result from providing services and producing and delivering goods and/or services. It also includes all revenue and expenses not related to capital and related financing, noncapital financing, or investing activities.

G. Budgets and Budgetary Accounting

The District is not required to adopt a budget for its Proprietary Fund under Louisiana Revised Statute 39:1303.

H. Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures during the reporting period. Actual results could differ from those estimates.

(2) Accounts Receivable

Accounts receivable is comprised of uncollected billed and unbilled utility services at June 30, 2013 and 2012 as follows:

	<u>2013</u>	<u>2012</u>
Uncollected billed receivable	\$ 71,113	\$ 61,887
Allowance for doubtful accounts	(16,946)	(17,713)
Unbilled receivable	<u>10,239</u>	<u>10,174</u>
Total accounts receivable	<u>\$ 64,406</u>	<u>\$ 54,348</u>

LAWTELL WATERWORKS DISTRICT NO ONE
OF ST LANDRY PARISH
Lawtell, Louisiana

Notes to Basic Financial Statements (Continued)

(3) Cash and Interest-Bearing Deposits

Under state law, the District may deposit funds within a fiscal agent bank organized under the laws of the State of Louisiana, the laws of any other state in the Union, or the laws of the United States. The District may invest in certificates and time deposits of the state banks organized under Louisiana law and national banks having principal offices in Louisiana. At June 30, 2013 and 2012, the District had cash and interest-bearing deposits (book balances) totaling \$643,432 and \$574,922, respectively, as follows:

	<u>2013</u>	<u>2012</u>
Interest-bearing demand deposits	\$ 284,433	\$ 220,985
Time deposits	<u>359,000</u>	<u>353,937</u>
Total cash and interest-bearing deposits	<u>\$ 643,433</u>	<u>\$ 574,922</u>

Custodial credit risk for deposits is the risk that in the event of the failure of a depository financial institution, the District's deposits may not be recovered or will not be able to recover collateral securities that are in the possession of an outside party. These deposits are stated at cost, which approximates market. Under state law, these deposits, (or the resulting bank balances) must be secured by federal deposit insurance or similar federal security or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent bank. These securities are held in the name of the District or the pledging fiscal agent bank by a holding or custodial bank that is mutually acceptable to both parties. Deposit balances (bank balances) at June 30, 2013, are secured as follows:

Bank balances	<u>\$ 647,450</u>
Federal deposit insurance	500,000
Pledged securities	<u>147,450</u>
Total FDIC insurance and pledged securities	<u>\$ 647,450</u>

Deposits in the amount of \$147,450 were exposed to custodial credit risk. These deposits are uninsured and collateralized with securities held by the pledging institution's trust department or agent, but not in the District's name. The District does not have a policy for custodial credit risk.

LAWTELL WATERWORKS DISTRICT NO ONE
OF ST LANDRY PARISH
Lawtell, Louisiana

Notes to Basic Financial Statements (Continued)

(4) Capital Assets

Capital asset activity for the year ended June 30, 2013 was as follows

	<u>Balance 7/1/12</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance 6/30/13</u>
Capital assets not being depreciated:				
Land	\$ 5,411	\$ -	\$ -	\$ 5,411
Other capital assets				
Water system	1,178,267	37,105	-	1,215,372
Buildings and improvements	124,823	-	-	124,823
Furniture, fixtures and equipment	<u>172,568</u>	<u>5,305</u>	<u>-</u>	<u>177,873</u>
Total	1,481,069	42,410	-	1,523,479
Less Accumulated depreciation	<u>923,624</u>	<u>35,173</u>	<u>-</u>	<u>958,797</u>
Net property, plant, and equipment	<u>\$ 557,445</u>	<u>\$ 7,237</u>	<u>\$ -</u>	<u>\$ 564,682</u>

Depreciation expense for the years ended June 30, 2013 and 2012 was \$35,173 and \$36,398, respectively.

(5) Compensation of Board Members

Included in salaries is compensation paid to the board members for the years ended June 30, 2013 and 2012 as follows

	<u>2013</u>	<u>2012</u>
<u>Board Members</u>		
Linda Babineaux	\$ 2,295	\$ 2,000
Armand Declouette	670	-
Theresa Faul	-	2,000
Stanley Guidry	-	1,875
Allen Guillory Sr.	670	-
Michael Lafleur	2,295	2,125
Gloria Ned	-	2,000
Eddie Thibodeaux	<u>670</u>	<u>-</u>
Total	<u>\$ 6,600</u>	<u>\$ 10,000</u>

LAWTELL WATERWORKS DISTRICT NO. ONE
OF ST. LANDRY PARISH
Lawtell, Louisiana

Notes to Basic Financial Statements (Continued)

(6) Water Rates

The water rate schedule (per month) for commercial and residential customers during the years ended June 30, 2013 and 2012 is as follows

	<u>2013</u>	<u>2012</u>
First 2,000 gallons - - minimum	\$ 12 00	\$ 12 00
All over 2,000 gallons - - per 1,000 gallons	5 00	4 75

(7) Subsequent Event Review

The District's management has evaluated subsequent events through September 4, 2013, the date which the financial statements were available to be issued.

OTHER INFORMATION

C. Burton Kolder CPA*
 Russell F. Champagne, CPA*
 Victor R. Slaven, CPA*
 Gerald A. Thibodeaux, Jr., CPA*
 Robert S. Carter, CPA*
 Arthur R. Mixon, CPA*
 Penny Angelle Scruggins, CPA
 Christine C. Doucet, CPA

Wanda F. Arcement, CPA, CVA
 Allen J. LaBry, CPA
 Albert R. Leger, CPA, PFS, CSA*
 Marshall W. Gudry, CPA
 Stephen R. Moore, Jr., CPA, PFS, CFP®, ChFC®
 James R. Roy, CPA
 Robert J. Metz, CPA
 Alan M. Taylor, CPA
 Kelly M. Doucet, CPA
 Cheryl L. Bartley, CPA
 Mandy B. Self, CPA
 Paul L. Delcambre, Jr., CPA
 Kristin B. Dauzat, CPA
 Matthew E. Margaglio, CPA
 Jane R. Hebert, CPA
 Bryan K. Joubert, CPA
 Stephen J. Anderson, CPA
 W. Jeffrey Lowry, CPA
 Brad E. Kolder, CPA, JD
 Casey L. Ardoin, CPA

Retired
 Conrad O. Chapman, CPA* 2006

* A Professional Accounting Corporation

KOLDER, CHAMPAGNE, SLAVEN & COMPANY, LLC

CERTIFIED PUBLIC ACCOUNTANTS

OFFICES

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--	--

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--	--

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---	--

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--	--

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WEB SITE
 WWW.KCSRCPAS.COM

INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES

To the Board of Directors of
 Lawtell Waterworks District No. One
 Of St. Landry Parish
 Lawtell, Louisiana

We have performed the procedures included in the Louisiana Government Audit Guide and enumerated below, which were agreed to by the management of Lawtell Waterworks District No. One of St. Landry Parish (District), Lawtell, Louisiana and the Legislative Auditor, State of Louisiana, solely to assist the users in evaluating management's assertions about the District's compliance with certain laws and regulations during the year ended June 30, 2013 included in the accompanying Louisiana Attestation Questionnaire. This agreed-upon procedure engagement was performed in accordance with standards established by the American Institute of Certified Public Accountants. The sufficiency of these procedures is solely the responsibility of the specified users of the report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

Public Bid Law

1. Select all expenditures made during the year for material and supplies exceeding \$30,000 or public works exceeding \$150,000, and determine whether such purchases were made in accordance with LSA-RS 38 2211-2296 (the public bid law) or LSA-RS 39 1551-39 1775 (the state procurement code), whichever is applicable.

The District did not comply with LSA-RS 38 2211-2296 when only one quote was obtained for parts and labor to install a new pump for the water well, which was in excess of \$30,000. See compliance finding 13-1(C) on the summary schedule of current and prior year findings and corrective action plan.

Code of Ethics for Public Officials and Public Employees

2. Obtain from management a list of the immediate family members of management as defined by LSA-RS 42-1101-1124 (the code of ethics), and a list of outside business interests of all employees, as well as their immediate families.

Management provided us with the required list including the noted information

3. Obtain from management a listing of all employees paid during the period under examination

Management provided a listing of all employees paid

- 4 Determine whether any of those employees included in the listing obtained from management in agreed-upon procedure (3) were also included on the listing obtained from management in agreed-upon procedure (2) as immediate family members

No employees obtained from management in agreed-upon procedure (3) were included on the listing obtained from management in agreed-upon procedure (2)

Budgeting

- 5 Obtain a copy of the legally adopted budget and all amendments

The District is not required to adopt a budget for its Proprietary Fund under Louisiana Revised Statute 39:1303

- 6 Trace the budget adoption and amendments to the minute book.

Not applicable, see step 5

- 7 Compare the revenues and expenditures of the final budget to actual revenues and expenditures to determine if actual revenues failed to meet budgeted revenues by 5% or more or if actual expenditures exceed budgeted amounts by more than 5%

Not applicable, see step 5

Accounting and Reporting

8. Randomly select 6 disbursements made during the period under examination and

- a Trace payments to supporting documentation as to proper amount and payee;

We examined supporting documentation for each of the six selected disbursements and found that payment was for the proper amount and made to the correct payee

- b Determine if payments were properly coded to the correct fund and general ledger account,

All payments were properly coded to the correct fund and general ledger account.

- c. Determine whether payments received approval from proper authorities,

Inspection of documentation supporting each of the six selected disbursements indicated approval from the proper authorities

Meetings

9. Examine evidence indicating that agendas for meetings recorded in the minute book were posted or advertised as required by LSA-RS 42:11 through 42:28 (the open meetings law)

The District posted a notice of each meeting and the accompanying agenda as required by LSA-RS 42:11 through 42:28 (the open meetings law)

Debt

10. Examine bank deposits for the period under examination and determine whether any such deposits appear to be proceeds of bank loans, bonds or like indebtedness.

We inspected copies of all bank deposit slips for the period under examination and noted no deposits, which appeared to be proceeds of bank loans, bonds, or like indebtedness

Advances and Bonuses

- 11 Examine payroll records for the year to determine whether any payments have been made to employees, which may constitute bonuses, advances, or gifts

We examined the payroll records for the year and concluded that no payments have been made to employees, which may constitute bonuses, advances, or gifts

We were not engaged to, and did not, conduct an audit, the objective of which would be the expression of an opinion, on the accounting records. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you. The results of our procedures disclosed no instance of noncompliance.

This report is intended solely for the use of management of the Lawtell Waterworks District No. One of St Landry Parish and the Legislative Auditor, State of Louisiana, and should not be used by those who have not agreed to the procedures and taken responsibility for the sufficiency of the procedures for their purposes. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document

Kolder, Champagne, Slaven & Company, LLC
Certified Public Accountants

Lafayette, Louisiana
September 4,, 2013

LOUISIANA ATTESTATION QUESTIONNAIRE
(For Attestation Engagements of Government)

5-14-13 (Date Transmitted)

KOLDER, CHAMPAGNE, SLAVEN AND COMPANY, LLC
183 S. BEADLE RD.
LAFAYETTE, LOUISIANA 70508

(Auditors)

In connection with your review of our financial statements as of [date] and for the year then ended, and as required by Louisiana Revised Statute (R.S.) 24:513 and the Louisiana Governmental Audit Guide, we make the following representations to you. We accept full responsibility for our compliance with the following laws and regulations and the internal controls over compliance with such laws and regulations. We have evaluated our compliance with the following laws and regulations prior to making these representations.

These representations are based on the information available to us as of (date of completion/representations) 5-14-13

Public Bid Law

It is true that we have complied with the public bid law, R.S. Title 38:2211-2296, and, where applicable, the regulations of the Division of Administration and the State Purchasing Office

Yes [☒] No [☐]

Code of Ethics for Public Officials and Public Employees

It is true that no employees or officials have accepted anything of value, whether in the form of a service, loan, or promise, from anyone that would constitute a violation of R.S. 42:1101-1124.

Yes [☒] No [☐]

It is true that no member of the immediate family of any member of the governing authority, or the chief executive of the governmental entity, has been employed by the governmental entity after April 1, 1980, under circumstances that would constitute a violation of R.S. 42:1119

Yes [☒] No [☐]

Budgeting

We have complied with the state budgeting requirements of the Local Government Budget Act (R.S. 39:1301-15), R.S. 39:33, or the budget requirements of R.S. 39:1331-1342, as applicable

Yes [☒] No [☐]

Accounting and Reporting

All non-exempt governmental records are available as a public record and have been retained for at least three years, as required by R.S. 44:1, 44:7, 44:31, and 44:36

Yes [☒] No [☐]

We have filed our annual financial statements in accordance with R.S. 24:514, and 33:463 where applicable.

Yes [☒] No [☐]

We have had our financial statements reviewed in accordance with R.S. 24:513

Yes [☒] No [☐]

Meetings

We have complied with the provisions of the Open Meetings Law, provided in R.S. 42:11 through 42:28.

Yes [☒] No [☐]

Debt

It is true we have not incurred any indebtedness, other than credit for 90 days or less to make purchases in the ordinary course of administration, nor have we entered into any lease-purchase agreements.

without the approval of the State Bond Commission, as provided by Article VII, Section 8 of the 1974 Louisiana Constitution, Article VI, Section 33 of the 1974 Louisiana Constitution, and R S 39:1410 60-1410.65.

Yes [☒] No [☐]

Advances and Bonuses

It is true we have not advanced wages or salaries to employees or paid bonuses in violation of Article VII, Section 14 of the 1974 Louisiana Constitution, R.S. 14:138, and AG opinion 79-729.

Yes [☒] No [☐]

We have disclosed to you all known noncompliance of the foregoing laws and regulations, as well as any contradictions to the foregoing representations. We have made available to you documentation relating to the foregoing laws and regulations

We have provided you with any communications from regulatory agencies or other sources concerning any possible noncompliance with the foregoing laws and regulations, including any communications received between the end of the period under examination and the issuance of this report. We acknowledge our responsibility to disclose to you any known noncompliance that may occur subsequent to the issuance of your report.

<u>Barbara Moore</u>	Secretary	<u>5-14-2013</u>	Date
<u>Chris Liburd</u>	Treasurer	<u>5-14-2013</u>	Date
<u>Donnell</u>	President	<u>5-14-2013</u>	Date

**LAWTELL WATERWORKS DISTRICT NO ONE
OF ST. LANDRY PARISH
Lawtell, Louisiana**

**Summary Schedule of Current and Prior Year Findings
and Corrective Action Plan
Year Ended June 30, 2013**

Ref No.	Fiscal Year Finding Initially Occurred	Description of Finding	Corrective Action Taken	Corrective Action Planned	Name of Contact Person	Anticipated Completion Date
CURRENT YEAR (6/30/13) --						
Compliance						
13-1(C)	2013	The District did not comply with RS 38.2212-2296 (the public bid law) when it failed to properly advertise and obtain bids for a new pump for the water well, which exceeded \$30,000	Yes	The District treated the situation as an emergency, however, did not properly advertise the emergency as required by state statute. In the future, the District will comply with the requirements of the public bid law.	Allen Guillory, President	Immediately
Management Letter						
13-2(ML)	2012	One of the District's employees admitted to selling 13 meters purchased by the District. The cost of the meters sold was \$678	Yes	The employee paid restitution and resigned in November 2012. The District has implemented a purchase order system to properly account for purchases. Additionally, management will monitor equipment and supplies periodically to ensure that the proper amounts are on hand and any discrepancies will be timely investigated.	Allen Guillory, President	Immediately
PRIOR YEAR (6/30/12) --						
Management Letter						
12-1(ML)	2012	One of the District's employees admitted to selling 13 meters purchased by the District. The cost of the meters sold was \$678	No	The Board placed the employee on probation until January 1, 2013. The employee was required to make restitution to the District. Additionally, the District has implemented a purchase order system to properly account for purchases.	Mike LaFleur, President	Immediately